

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PETITION OF COLUMBIA GAS OF)
KENTUCKY, INC., FOR AUTHORITY)
TO ADJUST RATES IN ACCORDANCE)
WITH THE PURCHASED GAS ADJUST-)
MENT PROCEDURE)

CASE NO. 7273-DD

O R D E R

On April 23, 1979, this Commission issued its final Order in Case No. 7273, approving certain adjustments in the rates of Columbia Gas of Kentucky, Inc., ("Columbia") and providing under certain conditions for refunds.

On December 3, 1981, Columbia notified the Commission that it had received a refund in the amount of \$305,008 from one of its suppliers, Columbia Gas Transmission Corporation ("Transmission") and that the refund is due to its customers. This refund is the result of refunds received from Transmission, related to (1) Louisiana First Use Tax refunds pursuant to Transmission's Docket RM81-37 and (2) reflecting Transmission's successful reversal of IRS disallowance of storage gas losses for tax years 1975 and 1976.

Columbia has calculated the amount owed each high pressure customer based upon individual customer usage during the refund calculation period. The total refund due high

pressure customers amounts to \$128,294 and will, upon approval, be refunded by check. The balance of the refund in the amount of \$176,715 would be refunded to approximately 110,400 low pressure residential and commercial customers by bill credit over a 4-month period.

The estimated refund factor applicable to low pressure customers is \$.0180 per Mcf.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds that:

(1) The refund due high pressure customers is \$128,294 and should be refunded by check, and that the balance of the refund in the amount of \$176,715 should be refunded to approximately 110,400 low pressure residential and commercial customers by bill credits over a 4-month period.

(2) The refund factor for low pressure customers should be \$.0180 per Mcf and should be adjusted, when necessary to assure proper refunds to its customers.

(3) The refund should begin with meter readings taken on and after January 1, 1982, and should remain in effect for 4-months, or until such time as the full amount, plus interest has been returned to its customers.

(4) Columbia should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period less 1/2 of 1 percent to cover the costs of

refunding. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

IT IS THEREFORE ORDERED that Columbia shall refund by check \$128,294 to its high pressure customers and that \$176,715 shall be refunded to its low pressure customers by application of a credit factor of \$.0180 per Mcf of sales to its customers' bills for a period of 4-months beginning with meter readings taken on and after January 1, 1982, and remain in effect until such time as necessary so that the refund will, as nearly as possible, reflect the exact amount. The refund factor will terminate at such period of time that the refundable amount equals the refund herein reported plus interest.

IT IS FURTHER ORDERED that upon completion of the refund directed herein, Columbia shall file with the Commission a statement of the monies refunded to its customers.

IT IS FURTHER ORDERED that Columbia shall notify the Commission upon completion of the record authorized herein and the amount of the refund to all customers served.

IT IS FURTHER ORDERED that the information furnished this Commission by Columbia on December 3, 1981, constitutes full compliance with the Commission's requirements and orders in Case No. 7273, and any other information ordinarily required to be filed under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 17th day of December, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Toke
For the Commission

ATTEST:

Secretary